

Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

MANAGEMENT LETTER

Reading Community City School District
Hamilton County
1301 Bonnell Avenue
Reading, Ohio 45215

To the Board of Education:

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of the Reading Community City School District, Hamilton County, (the District), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 4, 2009.

Government Auditing Standards also require that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance, and significant deficiencies in internal controls. We have issued the required report dated December 4, 2009, for the year ended June 30, 2009.

Office of Management and Budget Circular A-133 requires that we report all material (and certain immaterial) instances of noncompliance and significant deficiencies in internal control, related to major federal financial assistance programs. We have issued the required report dated December 4, 2009, for the fiscal year ended June 30, 2009.

We are also submitting for your consideration the following comments on the District's compliance with applicable laws and regulations and on its internal controls. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or significant deficiencies in internal control, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist your government. If you have any questions or concerns regarding these comments please do not hesitate to contact us.

NONCOMPLIANCE CITATIONS

Ohio Revised Code Section 5705.412

Ohio Rev. Code §5705.412 requires the treasurer, superintendent and president of the board of education to certify that adequate revenues will be available to maintain all personnel and programs for the current fiscal year and for a number of days in the succeeding fiscal years equal to the number of days instruction was held or is scheduled for the current fiscal year. For a school district in fiscal emergency under Ohio Rev. Code chapter 3316, the certificate shall be signed by a member of the school district's financial planning and supervision commission (Ohio Rev. Code Section 5705.412 (B) (3)).

During compliance testing, we noted two out of seven 5705.412 certificates were not signed by all required authorities.

We recommend the District ensure all required authorities sign 5705.412 certificates.

RECOMMENDATIONS

Student Activity Receipts

During student activity control testing, we noted the following: five instances of student activity receipts without documentation as to who collected the receipt and six instances of student activity receipt pay-ins not being signed by the cashier.

Student activity receipts should indicate who collected the receipt and who completed the pay-in for accountability. Without documentation as to who collected the receipt and who prepared the pay-in, the District would have difficulties holding someone accountable in the event a variance between receipts and deposits were discovered.

We recommend the Treasurer ensure all student activity receipts identify the person who collected the receipt and ensure pay-ins are signed.

These comments are intended for the information and use of the Board of Education and management and are not intended to be and should not be used by anyone other than these specified parties.

Caudill & Associates, CPA's

Caudill & Associates, CPA's
December 4, 2009